The Resilience of Pre-Merger Fields of Practice During Post-Merger Information Systems Development

Dragos Vieru, TELUQ University, Quebec City, Canada
Suzanne Rivard, HEC Montreal, Montreal, Canada

ABSTRACT

This article analyzes the interactions among individuals engaged in information system development (ISD) projects aimed to support an organization created by the merger of previously independent entities. The authors draw on a practice perspective on knowledge sharing across boundaries to analyze two ISD projects in a post-merger integration (PMI) context of the merger of three hospitals. In both projects, the final IS-enabled practices differed from the post-merger practices that had been planned by the hospital management. Our analysis suggests that pre-merger fields of practice tend to be resilient, and that this resilience originates in some of the agents’ actions aimed at maintaining the status quo. In addition, they found this resilience to be facilitated by the ease of tailoring the software packages used to develop the two IS.

KEYWORDS

Information System Development, Knowledge Sharing, Post-Merger Integration, Practice Perspective, Software Package Tailoring

INTRODUCTION

Mergers have long been recognized as a means by which firms seek to improve their market position and increase their return on capital (Vieru & Rivard, 2014). Post-merger integration (PMI) refers to the process of value-creation that organizations anticipate from a merger (Yoo et al., 2007). All mergers do not imply the same degree of integration among the parties, or the same degree of autonomy retained by each. There exist four ideal-type PMI approaches (Marks & Mirvis, 2001). At one extreme is preservation, which maintains the status quo in each merging organization. At the other extreme is absorption where one party requires the others to adopt its practices, norms, and culture. It may also happen that, along a symbiosis approach, the merging organizations are gradually combined by enforcing operational interdependence and a common culture, or that by reinvention, an organizational structure and work practices are implemented that are new to all parties.

Depending on the PMI approach, new corporate structures, rules and processes may need to be created and business functions may need to be reorganized (Empson, 2001). Among the structures

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and processes that require integration, information technology (IT) resources - infrastructures, applications, data and management practices (Tanriverdi & Uysal, 2011) - have been claimed to have important impacts on merger outcomes (Vieru & Rivard, 2014). To date, research on the integration of IT resources has illuminated its strategic nature, either identifying strategies for integrating the merging entities’ IT resources (Tanriverdi & Uysal, 2011) or analyzing alignment of the post-merger IT function with business needs (Henningsson & Yetton, 2011). Little research, however, has been conducted on the development of new information systems that will be necessary to bridge the demarcations between previously independent organizations (Vieru & Rivard, 2015), thus integrating existing applications and data (Wijnhoven et al., 2006). In view of the paucity of empirical research on post-merger ISD and of the challenges that the PMI phase entails, the present study expands knowledge on post-merger IT integration by focusing on the dynamics of ISD in a PMI context. More specifically, we address the following question:

*How do interactions among actors engaged in post-merger ISD projects influence the resulting IS and the corresponding IS-enabled practices?*

To answer this question, we adopted a knowledge sharing perspective. Extant research has shown, although not in a merger context, that the success of ISD initiatives involving different professional communities highly depends on effective knowledge sharing (Orlikowski, 2002; Luna-Reyes et al., 2005). Problems of bringing together a diverse group of stakeholders are particularly acute in the post-merger integration phase because of the novelty of the context, the norms and values that drove practices in the merging entities, and the pace of evolution of technological platforms. In this context, the initiatives of sharing knowledge give unexpected results (Yoo et al., 2007) or are met with resistance (Empson, 2001). While there is clear preoccupation for analyzing cross-boundary collaboration in the ISD literature, there is a lack of empirical studies in the literature on post-merger IS integration to acknowledge this topic.

We espouse a practice perspective of knowledge, which conceptualizes knowledge as an integral part of daily work practices (Bourdieu, 1977). Under this perspective, individuals (or agents) share a common set of practices within a field of practice (e.g., business unit or department) in pursuing a joint interest (Levina & Vaast, 2005). Because PMI involves agents from previously independent organizations, we posit that those organizations represent distinct fields of practice. We conducted two case studies within a large teaching healthcare center (THC) that resulted from the merger of three hospitals. The cases were ISD projects – from project inception until the systems were put in production – carried out over a period of six years. In each case, top management had the same objective: to go from three different sets of practices and information systems to a single set of practices and a single system. In both cases, however, the pre-merger fields of practice were resilient.

Our study makes several contributions. First, by adopting a practice perspective to knowledge sharing, it highlights the role played by boundary spanners in this context. Second, it identifies two social mechanisms that explain the causal path between knowledge sharing and the outcomes of the ISD. Finally, it reveals the role of the ease of tailoring the software package in strengthening the resilience of pre-merger fields of practice by enabling agents’ efforts to preserve pre-merger practices.

**THEORETICAL FOUNDATIONS**

**The Practice Perspective on Knowledge Sharing**

In general, practice perspectives focus on the criticality of individuals’ actions for organizational goals and try to answer to ‘how’ practices are generated within a specific context, reinforced, reproduced, and altered, and with what intended and/or unintended outcomes (Vieru & Rivard, 2015). In our study, we focus on four concepts of the practice perspective: practices, fields of practice, boundaries, and
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